NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

23. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting) the following items:

	GROUP		COMPANY	
	June 2017 R'000	June 2016 R'000	June 2017 R'000	June 2016 R'000
Auditors' remuneration (included in 'other expenses')	**9 992**	9 625	**1 113**	1 077
Audit fees	**9 992**	9 591	**1 113**	1 060
Prior period (over)/under provision	**–**	34	**–**	17
Amortisation of development costs and other intangible assets	**86 450**	79 332	**–**	–
Depreciation of property, plant and equipment	**45 098**	38 011	**–**	–
Motor vehicles	**1 468**	1 176	**–**	–
Building Infrastructure and leasehold improvements	**4**	95	**–**	–
Computer equipment	**27 241**	23 224	**–**	–
Plant and machinery	**934**	834	**–**	–
Buildings	**–**	67	**–**	–
Furniture and fittings	**10 195**	8 560	**–**	–
Office equipment	**5 256**	4 055	**–**	–
Bad debt write-off	**2 532**	581	**–**	–
Provision for doubtful debts*	**7 444**	–	**–**	–
Operating lease rentals (included in 'rentals and property costs')	**150 869**	134 836	**–**	359
Buildings	**140 317**	127 151	**–**	359
Computer equipment	**–**	–	**–**	–
Motor vehicles	**415**	597	**–**	–
Office equipment and furniture	**10 137**	7 088	**–**	–
Repairs and maintenance (included in 'rentals and property costs')	**3 281**	3 762	**–**	–

* *This relates to doubtful debts in Medscheme Administrators Swaziland.*

23. PROFIT BEFORE TAXATION CONTINUED

	GROUP		COMPANY	
	June 2017 R'000	June 2016 R'000	June 2017 R'000	June 2016 R'000
Profit before taxation is stated after charging/(crediting) the following items:				
Directors' emoluments (included in 'employee benefit costs')				
Executive				
WRC Holmes	–	1 262	–	–
– Basic salary	–	212	–	–
– Bonus	–	1 050	–	–
– Company contributions	–	–	–	–
– Share-based payment (Note 31)	–	–	–	–
D Dempers	–	27 727	–	–
– Basic salary	–	3 859	–	–
– Bonus	–	23 822	–	–
– Company contributions	–	46	–	–
– Share-based payment (Note 31)	–	–	–	–
JW Boonzaaier	3 836	3 408	–	–
– Basic salary	2 590	2 332	–	–
– Bonus	1 043	894	–	–
– Company contributions	203	182	–	–
WH Britz	5 241	3 235	–	–
– Basic salary	3 403	2 949	–	–
– Bonus	1 533	–	–	–
– Company contributions	305	286	–	–
AV Van Buuren	5 044	2 989	–	–
– Basic salary	3 313	2 788	–	–
– Bonus	1 533	–	–	–
– Company contributions	198	201	–	–
Non-executive				
For services as Directors (basic salary)	3 853	3 405	–	–
ATM Mokgokong	911*	833	–	–
MJ Mandungandaba	810*	861	–	–
ND Munisi	224	100	–	–
A Banderker	702*	399	–	–
IM Kirk	205	332	–	–
SE Mmakau	174	–	–	–
LL Dhlamini	281	100	–	–
HG Motau	35	–	–	–
Y Masithela	50	195	–	–
GL Napier	67	195	–	–
NB Bam	67	195	–	–
JG Appelgryn	67	195	–	–
NV Lila Qangule	260	–	–	–
Employee benefit costs	1 689 615	1 480 560	14 029	27 263
Salaries and wages	1 454 878	1 269 160	8 456	9 389
Termination benefits	6 218	8 390	1 015	–
Incentive bonus	81 003	107 646	4 500	17 765
Staff welfare	40 191	36 378	58	109
Movement in post-employment medical obligation	80	(443)	–	–
Pension costs – defined contribution plans	107 245	59 429	–	–

* *The Directors' remuneration highlighted above reflects the total Directors' fees received across various subsidiaries within the Group.*

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

23. PROFIT BEFORE TAXATION CONTINUED

	GROUP		COMPANY	
	June 2017 R'000	June 2016 R'000	June 2017 R'000	June 2016 R'000
Average number of persons employed by the Group during the period:				
South Africa	**4 921**	4 267	**–**	–
Full Time	**4 250**	3 722	**–**	–
Part Time	**671**	545	**–**	–
Outside of South Africa	**315**	604	**–**	–
Full Time	**288**	501	**–**	–
Part Time	**27**	103	**–**	–
Dividends received				
Other	**–**	–	**35 650**	73 120
Loss on disposal of tangible assets	**(681)**	(245)	**–**	–
Fair value adjustments	**23 152**	27 085	**22 734**	27 085
Fair value gains on financial assets	**23 152**	27 085	**22 734**	27 085
Research and development costs	**14 316**	22 749	**–**	–
Impairments	**(19 851)**	(21 469)	**850**	(99 917)
Impairment of intangible asset	**(16 640)**	(4 858)	**–**	–
Impairment of loans	**(3 211)**	(11 252)	**850**	(99 917)
Impairment of investment in associate	**–**	(5 359)	**–**	–
Other expenses				
Included in 'other expenses' are the following:				
Donations	**717**	634	**–**	–
Legal and consulting fees	**124 209**	173 744	**529**	13 653
Management costs	**209 222**	166 873	**6 315**	5 938
Marketing and recruitment	**40 321**	21 334	**3 283**	1 107
Straight-lining of leases	**(80)**	3 686	**–**	–

24. NET FINANCE COSTS

	GROUP		COMPANY	
	June 2017 R'000	June 2016 Restated* R'000	June 2017 R'000	June 2016 R'000
Finance costs	**(46 667)**	(29 507)	**(1 547)**	(4 836)
Cash and cash equivalents	**–**	–	**–**	–
Intercompany loans	**–**	–	**(1 547)**	(4 836)
Preference dividend paid	**–**	(2 998)	**–**	–
Conditional financial obligation*	**(45 906)**	(24 960)	**–**	–
Other	**(761)**	(1 549)	**–**	–
Finance income	**39 621**	32 386	**15 608**	12 415
Cash and cash equivalents	**36 894**	28 327	**15 608**	12 415
Other	**2 727**	4 059	**–**	–

* *See Note 39 for details regarding the restatement as of the June 2016 results.*

The effective interest approximates the interest on the cash flows for the period.